IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
NETEXIT, INC., et al.,) Case No. 04-11321 (JLP)
Debtors.) Re D.I. 500
)
In re:) Chapter 11
NORTHWESTERN CORPORATION,) Case No. 03-12872 (JLP)
Debtor.) Re D.I. 3051

DESIGNATION OF THE RECORD AND STATEMENT OF ISSUES PURSUANT TO FEDERAL RULE OF APPELLATE PROCEDURE 6(a) AND BANKRUPTCY RULE 8006

The Official Committee of Unsecured Creditors (the "Netexit Committee") appointed in the chapter 11 cases of Netexit, Inc., *et al.* (collectively, the "Netexit Debtors")¹, by and through its undersigned counsel, hereby files this designation of the record on appeal and statement of issues to be presented pursuant to Federal Rule of Appellate Procedure 6(a) and Rule 8006 of the Federal Rules of Bankruptcy Procedure (the "Designation"). This Designation relates to the Netexit Committee's Notice of Appeal of the United States Bankruptcy Court for the District of Delaware's Order dated April 26, 2005 denying the Netexit Committee's Motion For Reimbursement Of Amounts Paid By The Netexit Debtors On Behalf Of Northwestern Corporation, which was entered by United States Bankruptcy Judge John L. Peterson on April 28, 2005 [D.I. 480 in Case No. 04-11321 and D.I. 3019 in Case No. 03-12872].

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¹ The Debtors are ATS Financial Services, Inc., Netexit of California Construction, Inc., Netexit of California, Inc., Netexit of Indiana, LLC, Netexit of Indiana, Inc., Netexit of North America, LLC, Netexit of Tennessee, Inc., Netexit of Pacific Northwest, Inc., Netexit of Oklahoma, Inc., Netexit of New York, LLC, Netexit of Mississippi, Inc., Netexit of Hawaii, Inc., and Eagle a Netexit Company Inc.

Designation Of Items To Be Included In Record On Appeal

The Netexit Committee hereby designates the following items for inclusion in the record on appeal:

Exhibit	Description	Docket No.	Date
			Docketed
1	Affidavit of Kendall G. Kliewer in Support of	9 in Case No.	5/28/04
	First Day and Initial Motions Filed on Notice	04-11321	
2	Motion of Debtors for an Order Pursuant to	12 in Case	5/28/04
	Federal Rule of Bankruptcy Procedure	No. 04-11321	
	1015(b) Directing Joint Administration of		
	These Chapter 11 Cases	1386 in Case	
		No. 03-12872	
3	Notice of Appointment of Official Committee	31 in Case	6/08/04
	of Unsecured Creditors	No. 04-11321	
4	Order Pursuant to Federal Rule of Bankruptcy	60 in Case	6/22/04
	Procedure 1015(b) Directing Joint	No. 04-11321	
	Administration of These Chapter 11 Cases		
		1532 in Case	6/23/04
		No. 03-12872	
5	Motion for Order Authorizing the Debtors to	79 in Case	6/29/04
	Pay COBRA Obligations	No. 04-11321	
6	Objection of the Official Committee of	103 in Case	7/12/04
	Unsecured Creditors of Netexit, Inc., et al. to	No. 04-11321	
	Motion for Order Authorizing the Debtors to		
	Pay COBRA Obligations		
7	Transcript of the Hearing held on July 14,	122 in Case	7/21/04
	2004 before the Honorable Charles G. Case,	No. 04-11321	
	II		
		1723 in Case	
		No. 03-12872	
8	Transcript of Hearing held (PORTION) on	210 in Case	10/01/04
	September 15, 2004 before the Honorable	No. 04-11321	
	Charles G. Case, II		
		2142 in Case	
		No. 03-12872	
9	Order Authorizing the Debtors to Pay	246 in Case	11/01/04
	COBRA Obligations	No. 04-11321	

10	Motion of the Official Committee of	251 in Case	11/03/04
10	Unsecured Creditors of Netexit, Inc., et al. for	No. 04-11321	11/03/04
	an Order Compelling NorthWestern	110.04-11321	
	Corporation to Reimburse the Netexit Debtors	2318 in Case	
	for Payments Relating to COBRA	No. 03-12872	
11	Debtors' Objection to the Motion of the	263 in Case	11/23/04
11	Official Committee of Unsecured Creditors of	No. 04-11321	11/23/04
	Netexit, Inc., et al., for an Order Compelling	110. 04-11321	
	NorthWestern Corporation to Reimburse the	2390 in Case	
	Netexit Debtors for Payments Relating to	No. 03-12872	
	COBRA	110. 03 12072	
12	Joinder of the Official Committee of	264 in Case	11/23/04
12	Unsecured Creditors of NorthWestern	No. 04-11321	11/25/01
	Corporation to Debtors' Objection to the	10.0111321	
	Motion of the Creditors Committee of	2392 in Case	
	Netexit, Inc., et al., for Order Compelling	No. 03-12872	
	NorthWestern Corporation to Reimburse the	1(0.00 12072	
	Netexit Debtors for Payments to COBRA		
13	Order Denying Motion of the Official	279 in Case	12/08/04
10	Committee of Unsecured Creditors of Netexit,	No. 04-11321	12,00,0.
	et al. for an Order Compelling NorthWestern		
	Corporation to Reimburse the Netexit Debtors	2465 in Case	
	for Payments Relating to COBRA	No. 03-12872	
14	Transcript of Hearing held on December 6,	288 in Case	12/15/04
	2004 before the Honorable John L. Peterson	No. 04-11321	
		2490 in Case	
		No. 03-12872	
15	Motion of the Official Committee of	295 in Case	12/20/04
	Unsecured Creditors of Netexit, Inc., et al. for	No. 04-11321	
	an Order Pursuant to Fed. R. Bankr. P. 7052		
	and Fed. R. Civ. P. 52(b) for Amendment and	2498 in Case	
	Clarification of Order	No. 03-12872	
16	Request to Change Filing Date [re: Motion of	301 in Case	12/22/04
	the Official Committee of Unsecured	No. 04-11321	
	Creditors of Netexit, Inc., et al. for an Order		
	Pursuant to Fed. R. Bankr. P. 7052 and Fed.	2505 in Case	
	R. Civ. P. 52(b) for Amendment and	No. 03-12872	
	Clarification of Order]		
17	Order Granting Motion of the Official	304 in Case	12/28/04
	Committee of Unsecured Creditors of Netexit,	No. 04-11321	
	Inc., et al. for Amendment and Clarification		
	of Order [Request to Change Filing Date]	2514 in Case	
		No. 03-12872	

10	Joint Objection of Notovit Inc. at al. and	212 in Casa	1/10/05
18	Joint Objection of Netexit, Inc., et al., and	312 in Case	1/10/05
	NorthWestern Corporation to the Motion of	No. 04-11321	
	the Official Committee of Unsecured	2000: 0	1/1//07
	Creditors of Netexit, Inc., et al., for an Order	2606 in Case	1/14/05
	Pursuant to Fed. R. Bankr. P. 7052 and Fed.	No. 03-12872	
	R. Civ. P. 52(b) for Amendment and		
	Clarification of Order		
19	Joinder of the Official Committee of	319 in Case	1/14/05
	Unsecured Creditors of NorthWestern Corp.	No. 04-11321	
	to Joint Objection of Netexit, Inc., et al., and		
	NorthWestern Corp. to the Motion of the	2607 in Case	
	Creditors' Committee of Netexit, Inc., et al.,	No. 03-12872	
	for Order Pursuant to Fed. R. Bankr. P. 7052		
	and Fed. R. Civ. P. 52(b) for Amendment and		
	Clarification of Order		
20	Transcript of Hearing held on February 10,	2811 in Case	2/15/05
	2005 before the Honorable John L. Peterson	No. 03-12872	
21	Motion of the Official Committee of	355 in Case	2/18/05
	Unsecured Creditors of Netexit, Inc., et al.,	No. 04-11321	
	for Reimbursement of Amounts Paid by the		
	Netexit Debtors on Behalf of NorthWestern	2828 in Case	
	Corporation	No. 03-12872	
22	Notice of Service of Subpoena	374 in Case	3/02/05
		No. 04-11321	
23	Debtors' Objection to the Motion of the	375 in Case	3/03/05
	Official Committee of Unsecured Creditors of	No. 04-11321	
	Netexit, Inc., et al., for Reimbursement of		
	Amounts Paid by the Netexit Debtors on		
	Behalf of NorthWestern Corporation		
24	NorthWestern Corporation's Objection to	378 in Case	3/03/05
	Motion of the Official Committee of	No. 04-11321	2. 32. 02
	Unsecured Creditors of Netexit, Inc. for		
	Reimbursement of Amounts Paid by the	2874 in Case	
	Netexit Debtors on Behalf of NorthWestern	No. 03-12872	
	Corporation	110.00 12072	
25	Affidavit of Kendall G. Kliewer [re:	379 in Case	3/04/05
	NorthWestern Corporation's Objection to	No. 04-11321	51 UTI US
	Motion of the Official Committee of	110. UT-11321	
	Unsecured Creditors of Netexit, Inc. for	2878 in Case	
	Reimbursement of Amounts Paid by the	No. 03-12872	
	Netexit Debtors on Behalf of NorthWestern	110. 05-12072	
	Corporation]		

26	Netexit Committee's Supplement to Motion	405 in Case	3/18/05
20	of the Official Committee of Unsecured	No. 04-11321	3/10/03
	Creditors of Netexit, Inc., <i>et al.</i> for	140. 04-11321	
	Reimbursement of Amounts Paid by the	2924 in Case	
	Netexit Debtors on Behalf of NorthWestern	No. 03-12872	
	Corporation	140. 03-12072	
27	Request to Change Filing Date [re: Netexit	406 in Case	3/21/05
21	Committee's Supplement to Motion of the	No. 04-11321	3/21/03
	Official Committee of Unsecured Creditors of	140. 04-11321	
	Netexit, Inc., <i>et al.</i> for Reimbursement of	2925 in Case	
	Amounts Paid by the Netexit Debtors on	No. 03-12872	
	Behalf of NorthWestern Corporation]	140. 03-12072	
28	Debtors' Response to Netexit Committee's	409 in Case	3/22/05
20	Supplement to Motion of the Official	No. 04-11321	3122103
	Committee of Unsecured Creditors of Netexit,	140. 04-11321	
	Inc., et al., for Reimbursement of Amounts	2935 in Case	
	Paid by the Netexit Debtors on Behalf of	No. 03-12872	
	NorthWestern Corporation	140. 03-12072	
29	Transcript of Hearing held on March 8, 2005	410 in Case	3/23/05
2)	before the Honorable John L. Peterson	No. 04-11321	3123103
	before the Honorable John E. I eterson	110.0111321	
		2936 in Case	
		No. 03-12872	
30	Official Committee of Unsecured Creditors of	414 in Case	3/24/05
50	Netexit, Inc., Motion to File Exhibit Under	No. 04-11321	3/2 1/03
	Seal	1,0,0,11021	
	Seal	2940 in Case	
		No. 03-12872	
31	NorthWestern Corporation's Joinder with	415 in Case	3/24/05
	Netexit Debtors' Response to Netexit	No. 04-11321	Je
	Committee's Supplement to Motion of the		
	Official Committee of Unsecured Creditors of	2941 in Case	
	Netexit, Inc., et al., for Reimbursement of	No. 03-12872	
	Amounts Paid by the Netexit Debtors on		
	Behalf of NorthWestern Corporation		
32	Order Granting Motion to File Under Seal	429 in Case	4/04/05
		No. 04-11321	
33	Order that the Motion of the Official	480 in Case	4/28/05
-	Unsecured Creditors Committee of Netexit	No. 04-11321	
	Debtors for Reimbursement of Amounts Paid		
	for COBRA Benefits is Denied	3019 in Case	
		No. 03-12872	

Statement of Issues to Be Presented on Appeal

- 1. Whether the Bankruptcy Court erred in finding that the Netexit Debtors agreed to pay COBRA benefits for former employees who elected COBRA coverage with NorthWestern Corporation.
- 2. Whether the Bankruptcy Court erred in finding that the Netexit Debtors were obligated to pay COBRA benefits for former employees under applicable federal law.
- 3. Whether the Bankruptcy Court erred in denying the Motion of the Official Committee of Unsecured Creditors of Netexit, Inc., *et al.*, for Reimbursement of Amounts Paid by the Netexit Debtors on Behalf of NorthWestern Corporation (the "Reimbursement Motion").
- 4. Whether the Bankruptcy Court erred in finding that any postpetition payment by NorthWestern Corporation related to COBRA benefits for former employees of the Netexit Debtors would be an administrative expense in the Netexit Debtors' cases.
- 5. Whether the Bankruptcy Court erred in finding that the Netexit Committee did not challenge NorthWestern Corporation's argument that it would be entitled to an administrative expense claim if it paid COBRA benefits for former employees of the Netexit Debtors.
- 6. Whether the Bankruptcy Court erred in denying the Reimbursement Motion, in contravention of previous Orders of the Bankruptcy Court and/or the law of the case.

7. Whether the Bankruptcy Court erred in holding that the Reimbursement Motion would be decided based on the pleadings and that no evidentiary hearing would be held.

Dated: May 16, 2005

Wilmington, Delaware

CROSS & SIMON, LLC

By:/s/ Donna L. Harris

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